



## Minnesota Pollution Control Agency

Duluth Office | 525 Lake Avenue South | Suite 400 | Duluth, MN 55802 | 218-723-4660  
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**CERTIFIED MAIL NO. 7005 1160 0002 5915 1937**  
**RETURN RECEIPT REQUESTED**

Mr. Scott Coleman, General Manager  
U.S. Steel Corporation  
Minnesota Ore Operations  
P.O. Box 417  
Mountain Iron, Minnesota 55768

RE: Administrative Penalty Order  
NPDES/SDS Permit No. MN0057207

Dear Ms. Bartovich:

Enclosed with this letter is an Administrative Penalty Order (APO) which has been issued to U.S. Steel Corporation - Minntac (Regulated Party). This APO is issued pursuant to Minn. Stat. § 116.072, which authorizes the Commissioner of the Minnesota Pollution Control Agency (MPCA) to assess penalties and require corrective actions for violations of Minnesota's environmental laws, including the terms and conditions established in a permit.

The enclosed APO formally documents the violations identified by the MPCA staff in September, 2011, during a review of Regulated Party Discharge Monitoring Reports. The APO requires the Regulated Party to pay a Four Thousand Seven Hundred Fifty Dollar (\$4,750) penalty within 30 days after receipt of this APO for the violations listed in the APO. The APO also requires the Regulated Party to return to compliance by completing the corrective actions listed in the APO. In this case, all of the corrective actions or submittal of schedules for completion of corrective actions have been completed.

The MPCA staff has reviewed the Regulated Party's response to the Compliance Evaluation Inspection Report issued by the MPCA on January 11, 2012. However, no changes were made to the violations as listed as a result of the response.

Please read the enclosed APO very carefully. The Regulated Party has the right to request an administrative or judicial hearing to review the APO. Minn. Stat. § 116.072, subds. 5, 6, and 7, establish the deadlines for seeking review of the corrective action requirements and penalty determination.

Mr. Scott Coleman, General Manager

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Should the Regulated Party have any questions or require further assistance, please contact John Thomas at (218-302-6616).

JT:pp

Enclosure

cc: Chrissy Bartovich, Director – Environmental, U.S. Steel Minnesota Ore Operations  
Carla Heyl, Attorney General's Office (w/enclosure)  
Ken Moon, MPCA (w/enclosure)  
Scot Sokola, MPCA (w/enclosure)  
Enforcement Data Coordinator - Enforcement Database Tracking [14970] (w/enclosure)  
Ann Moore, MPCA PIO (w/enclosure)  
John Thomas, MPCA (w/enclosure)  
NPDES/SDS Permit No. MN0057207

**STATE OF MINNESOTA  
MINNESOTA POLLUTION CONTROL AGENCY**

**ADMINISTRATIVE PENALTY ORDER**

**U.S. Steel Corporation – Minntac  
Mtn. Iron, St. Louis County  
P.O. Box 417  
Mtn. Iron, Minnesota 55768**

**File Review  
NPDES/SDS Permit No. MN0057207**

This Administrative Penalty Order (APO) is issued by the Minnesota Pollution Control Agency (MPCA) Commissioner pursuant to Minn. Stat. § 116.072 for the violations listed below. This APO requires U.S. Steel Minnesota Ore Operations (Regulated Party) to take action to correct the violations.

\* \* \* \* \*

**VIOLATIONS**

**NPDES/SDS Permit No. MN0057207 Chapter 4 Part 3.2** requires that on an annual basis, the number of moles of excess hydroxide ion (Step 4) must be equal to or greater than the number of moles of excess calcium and magnesium (Step 3) in the thickener overflow stream.

**NPDES/SDS Permit No. MN0057207 Chapter 7 Part 10.1** states:

The Permittee shall properly operate and maintain the systems used to achieve permit compliance. Proper operation and maintenance includes effective performance, adequate funding, adequate staffing and training, and adequate process and laboratory controls, including appropriate quality assurance procedures.

**NPDES/SDS Permit No. MN0057207 Chapter 7 Part 10.2** states:

The Permittee is responsible for insuring system reliability and shall install adequate backup or support systems to achieve permit compliance and prevent the discharge of untreated or inadequately treated waste. These systems may include alternative power sources, auxiliary treatment works and sufficient storage volume for untreated wastes.

Chapter 4 Part 3.2 of the Regulated Party's National Pollutant Discharge Elimination System (NPDES)/State Disposal System (SDS) Permit No. MN0057207 (Permit) requires that there be no net increase in hardness contributed to the tailings basin by operation of the Line 3 scrubber. In order to comply with that requirement, the Regulated Part installed a Line 3 scrubber wastewater treatment system (WWTS) for removal of hardness from scrubber wastewater prior to discharging it to the tailings basin.

Information submitted by the Regulated Party with its August, 2011 Discharge Monitoring Reports reported that pipelines that are part of the Line 3 scrubber WWTS became inoperable, with the result that hardness was not removed from Line 3 scrubber wastewater prior to being discharged to the tailings basin. Specifically, pipelines used to convey Line 3 thickener overflow to either the Step I Reclaim Thickener or the Concentrate Thickener became plugged due to scaling or plugging with excess solids. It is within these thickeners that excess hardness is removed. In addition, the Step I reclaim thickener was taken out of service between August 3 and October 13, 2011 due to operational error that resulted in damage to thickener components. The result was that during the period beginning on or about August 13 through August 20, 2011, wastewater from the Line 3 scrubber bypassed the hardness reduction component of the Line 3 scrubber WWTS. Had this system been properly operated and maintained with sufficient system backup, the hardness removal component of the Line 3 scrubber WWTS would have remained functional.

\* \* \* \* \*

### **CORRECTIVE ACTION REQUIRED**

Pursuant to Minn. Stat. § 116.072, subd. 4, the Regulated Party is required to correct all the violations listed in this APO. The Regulated Party must document to the Commissioner, within 30 days after receipt of this APO and in writing, that the Regulated Party has taken the corrective actions listed below, unless the Regulated Party seeks review of this APO as described below (Right to Review).

1. On a shift-by-shift basis, the discharge from the 233 system into the Step I Reclaim Thickener and the level in the 233 sump shall be inspected to verify proper system operation. If flow is impeded or the sump is overflowing, the system shall be shut-down immediately and causes and corrective actions investigated.  
...THIS REQUIREMENT HAS BEEN COMPLETED.
2. The 392 pumping/piping system which delivers Line 3 scrubber thickener overflow directly to the Concentrate Thickener will be rehabbed and upgraded to accommodate all of the Line 3 scrubber thickener overflow. This work will be completed by no later than June 30, 2012.  
...THIS REQUIREMENT HAS BEEN COMPLETED.
3. The discharge lines from the 233 and 392 pumping systems will be hydroblasted on an as-needed basis during major maintenance outages.  
...THIS REQUIREMENT HAS BEEN COMPLETED.

If the Regulated Party has any questions about the corrective actions required, please contact the MPCA staff person identified below for assistance.

\* \* \* \* \*

**PENALTY: Four Thousand Seven Hundred Fifty Dollars (\$4,750)]**

The Regulated Party is hereby assessed a penalty of \$4,750 for the violations cited above. In determining the amount of the penalty, the Commissioner considered whether the violations were willful, whether the Regulated Party gained economic benefit, whether there is a history of past violations, the number of violations, and the gravity of the violations, including the potential for damage to humans, animals, air, water, land, or other natural resources of the state.

Based on the serious and repeat nature of the violations, the Commissioner has determined that the penalty is:

### **NONFORGIVABLE**

Payment of the Nonforgivable penalty amount of \$4,750 is to be by check or money order payable to the Minnesota Pollution Control Agency within 30 days after receipt of this APO, unless the Regulated Party seeks review of this APO. The check should be mailed to: Fiscal Services – 6<sup>th</sup> Floor, Minnesota Pollution Control Agency, 520 Lafayette Road North, St. Paul, Minnesota 55155-4194; or to make an Electronic Payment, contact Carl Agerbeck, MPCA Fiscal Services, at 651-757-2182.

\* \* \* \* \*

### **RIGHT TO REVIEW**

Pursuant to Minn. Stat. § 116.072, subds. 6 and 7, the Regulated Party has a right to seek review of this APO. The following description is intended only to aid the Regulated Party's understanding of the review process. The Commissioner strongly advises the Regulated Party to review the law itself carefully before proceeding.

The Regulated Party has a right to have an expedited hearing before an administrative law judge or to have a district court review this APO or the Commissioner's determination that the Regulated Party's corrective action was unsatisfactory.

**EXPEDITED HEARING (Administrative Law Judge Hearing)**-To obtain an expedited hearing, the following steps must be taken in a timely manner:

- the Regulated Party must file a request for review within 30 days after receipt of this APO or within 20 days after receipt of the Commissioner's determination that the Regulated Party's corrective action is unsatisfactory. The Regulated Party must ensure that any review request is received by the MPCA Commissioner before 4:30 p.m. on the last day of the applicable filing period. The filing period begins the first calendar day after the Regulated Party receives the APO or corrective action determination.  
If the filing period ends on a weekend or holiday, the filing period is extended to close of business on the next day the MPCA is open for business;

- the request must be in writing;
- the request may be sent by U.S. mail or it may be delivered in person;
- the request must identify the APO or the corrective action determination that the Regulated Party wants to have reviewed and must specifically state the reasons why the Regulated Party wants the APO to be reviewed, including any facts upon which the Regulated Party relies;
- the Regulated Party must file the Regulated Party's written request for hearing by sending it to the Commissioner, Minnesota Pollution Control Agency, 520 Lafayette Road North, St. Paul, Minnesota 55155-4194; and
- to ensure expeditious processing of the request, please send copies of the request to: John Thomas, Minnesota Pollution Control Agency, 525 Lake Avenue South, Suite 400, Duluth, Minnesota, 55802 and to Carla Heyl, Attorney General's Office, Bremer Tower, 445 Minnesota Street, Suite 900, St. Paul, Minnesota 55101-2127.

An expedited hearing by the Office of Administrative Hearings will be scheduled if the above steps have been completed in the time frames indicated.

#### OR

COURT REVIEW (District Court Hearing)-As an alternative to the expedited hearing procedure described above, the Regulated Party may file a petition in district court. In this case, the following steps must be taken:

- the Regulated Party must file a petition in district court within 30 days after receipt of this APO or within 20 days after receipt of the Commissioner's determination that the Regulated Party's corrective action is unsatisfactory;
- the Regulated Party must also serve a copy of the petition on: Commissioner, Minnesota Pollution Control Agency, 520 Lafayette Road North, St. Paul, Minnesota 55155-4194;
- the Regulated Party must also serve a copy of the petition on: Carla Heyl, Assistant Attorney General, Attorney General's Office, Bremer Tower, 445 Minnesota Street, Suite 900, St. Paul, Minnesota 55101-2127;
- the petition must identify the APO or corrective action determination that is the subject of the Petition and state the specific grounds upon which the Regulated Party challenges this APO or determination, including the facts upon which the Regulated Party bases each claim that the Regulated Party makes; and
- the Regulated Party must file a proof of service on the Commissioner and the Attorney General with the clerk of the district court.

In the case of either an expedited hearing or a court review, if the Regulated Party's request is found to be frivolous, the Regulated Party may be required to pay the costs that the Commissioner incurs in responding to the request for review.

This APO becomes a final order after 30 days unless the Regulated Party requests a hearing as provided above. If a hearing is held, the APO becomes a final order when the time to petition the Court of Appeals has expired or the Court of Appeals has ruled and upheld the APO. If the Regulated Party fails to comply with the APO, the MPCA may file the final order in district court where it will become a final judgment against the Regulated Party without further notice or additional proceedings. The MPCA may enforce and collect the judgment or a district court order against the Regulated Party and require payment of unpaid penalties, monetary damages, attorney fees, costs, and interest. The Attorney General may petition the district court for entry of the final order as an order of the district court that may be enforced against the Regulated Party in the same manner as a judgment of the district court.

**STATE OF MINNESOTA  
POLLUTION CONTROL AGENCY**

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**Date**

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**Jeff Stollenwerk, Manager  
Land and Water Quality Permits Section  
Industrial Division**

**CERTIFIED MAIL NO. 7005 1160 0002 5915 1937  
RETURN RECEIPT REQUESTED**

Address Questions and Submittals Requested Above To:

John Thomas  
Minnesota Pollution Control Agency  
525 Lake Avenue South, Suite 400  
Duluth, Minnesota 55802  
(218) 302-6616

JT:pp